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The Massachusetts Arts Lottery:

An Examination of Its Role in State Arts Policy

Policy Analysis Exercise
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EXECUTIVE SUMMARY

The issue of Massachusetts state arts policy has recently received unprecedented attention in response to a proposal, submitted by Governor Dukakis, that seeks to restructure the way in which Massachusetts administers and funds cultural programs. This plan calls for the creation of a unified state arts agency through the merger of the Massachusetts Council on the Arts and Humanities (MCAH) and the Massachusetts Arts Lottery; its object is to improve the efficiency and effectiveness of the state's response to the cultural needs of communities and their residents as well as to the financial needs of artists and arts organizations. While the merger plan is supported by the MCAH, constituents of the Arts Lottery insist that such a move will spell the end of or at least significant reductions in their program.

The current controversy — like the state's existing dual arts-agency structure — mirrors a fundamental debate about the appropriate goals of a public arts policy: the "elitist v. populist" debate. Essentially, the elitist perspective holds that public policy on the arts should stress developed artistic quality as the primary criterion for public support; this view translates into an emphasis on professional artists and established cultural institutions. In constrast, the populists advocate a public arts policy designed to achieve the widest possible availability of the arts, and emphasize support for community-based programs to bring cultural opportunities to new audiences. Although the parallels can be overstated, the MCAH is generally associated with the elitist perspective, while the Arts Lottery — which distributes funds statewide through a network of local councils — is characterized as a populist program.

Lottery supporters' opposition to the merger on the grounds that it threatens community arts programs has been discounted by individuals and organizations aligned with the MCAH, and in the press. The Boston Globe recently dismissed the local Lottery council members' objections as "paranoia" and advised the Lottery to

give in gracefully to the merger proposal. Evidence on arts policy in other states, however, suggests that the Lottery supporters' fears about the future of the program are justified. In cases where states have tried to serve both elitist and populist programs within a single agency, the elitist orientation — because of institutional and political differences between established arts institutions and community-based programs — has dominated funding decisions. Community-based programs have been shortchanged in the process.

What's at stake if this scenario is repeated in Massachusetts is an effective new populist arts policy. An examination of the funding decisions made by local councils in the recent January 1984 distribution shows that Arts Lottery-supported programs, assessed in the aggregate, are consistent with the goals of a populist policy. The Lottery's decentralized structure and geographic distribution formula channel arts funds to the state's smaller and poorer communities, typically lacking in artistic and cultural opportunities. Designed to give the community an important role in arts planning, the guidelines governing the Lottery's grant-review process allow local councils to determine and address their communities' most important cultural needs and demands. The effect of this flexibility is a balance in programs funded between high-quality artistic achievement and the dispersion of arts experiences to new audiences, depending on the resources and interests of each participating community.

In contrast, an examination of MCAH-funded programs indicates that the MCAH channels support predominantly to established arts institutions and therefore to relatively wealthy and well-educated audiences in urban areas. While appropriate to the mission of identifying and promoting the cream of the state's cultural resources, the MCAH's funding priorities and grant-review process are not consistent with the needs of a populist arts policy.

Whether or not a merger is in the best interests of the entire Massachusetts arts community, however, the move to a unified agency appears for political reasons to be inevitable. If Massachusetts is to continue to support "populist"

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arts, this unified agency should be structured to shelter the Lottery-funded, community-based programs from direct competition for funds with established and powerful primary arts institutions. Specifically, the merger plan should include the following conditions:

- The basic dual-agency structure should be retained under the umbrella agency.

The Lottery grant-review process and funds earmarked for local councils should be kept completely separate from the MCAH's process and funds. If the budgets of the two sub-agencies are combined or the Lottery councils' allocations made discretionary according to the funding needs of primary institutions, the balance of priorities could shift dramatically away from populist programs.

- The Massachusetts Arts Lottery Council should be restructured to parallel the Massachusetts Council on the Arts and Humanities.

From the current five members, the state Lottery Council should be expanded to 15 members, 11 elected from the local councils and four appointed by the Governor. Putting the Lottery in the hands of local council members who are committed to community-based programs will ensure that it continues to serve the goals of a populist program, in the same way that the MCAH's structure guarantees its continued support for established institutions.

- A director to head the arts superagency should be recruited from outside both the Arts Lottery and MCAH communities.

The choice of a director not strongly identified with either side in the current debate will signal commitment to both community and primary arts.

As support for the Arts Lottery program stabilizes and the information flow between the Lottery and the MCAH improves, there will be opportunities to reconsider the division between the two sub-agencies of both the total arts budget and the responsibility for particular programs. In the short run, however, a unified state arts agency should shelter existing Lottery programs from the institutional hazards which, in other states, have restricted the scope of populist arts policy.

INTRODUCTION

The Massachusetts Arts Lottery, established in 1979, is a program for funding the arts which is unique to Massachusetts among the 50 states. Through this program, revenues from the highly successful lottery game "Megabucks" are distributed to local arts councils which have been established to receive the funds in cities and towns statewide. Within some very broad and flexible guidelines, these local councils establish individual funding priorities and apply the Arts Lottery funds to enhance artistic activity in their communities through grants to local individuals and organizations and for council-originated projects. In the short time since its creation, the Arts Lottery has generated unprecedented interest in the arts throughout Massachusetts, as well as an active new constituency with a stake in the political process that initiated and sustains the program. A t the same time, the Lottery's success has also made it the focus of a highly visible debate concerning the future of Massachusetts state arts policy.

The primary goals of my analysis are to inform this public debate by examining the Arts Lottery's role in and contributions to the arts and culture in Massachusetts, and to recommend on the basis of these findings an appropriate structure for the state's arts policy. The analysis has three major components: to propose a framework for evaluating the Lottery's distribution policy through examination of Lottery-funded programs; to use this framework to evaluate programs funded by local Lottery councils in the recent January 1984 distribution cycle; and to explore how these programs both contribute to existing arts activity in Massachusetts and also create cultural opportunities for new audiences in communities statewide.

Evaluating a program of government funding for and involvement in the arts is not a straightforward problem. In contrast to more traditional government programs providing familiar goods and services, "arts" and "culture" seem nebulous

goals; there is no consensus as to the appropriate outputs of a public arts program. In fact, it is not unanimously agreed that there actually exists at all a positive, legitimate role for government to play in support of the arts. An understanding of these broad, nationwide policy debates is critical to an evaluation of the goals and outputs of the Massachusetts Arts Lottery, and also illuminates the ongoing political debate at the state level concerning the future of the program. This analysis therefore begins with an examination of the policy climate in which government arts programs have evolved.

THE POLICY DEBATE: GOVERNMENT'S ROLE IN THE ARTS

In European countries, government is widely considered a suitable and indispensable patron of the visual and performing arts. This perception is consistent with a tradition in which the arts and culture are central to the quality of life and the people who create and sustain them are honored in society. In Norway, for example, the arts are heavily subsidized to keep cultural traditions unbroken, maintain the nation's artistic standards on a par with those of neighboring countries, and to make them available to the greatest number of people.[1] For similar reasons, the visual arts were effectively nationalized in Britain during the nineteenth century.[2]

In contrast, the relationship between government and the arts in the United States has been an uneasy and controversial one. Our lack of a clear public philosophy regarding the appropriate relationship between government and the arts has been attributed to both our puritan heritage with its utilitarian bias against the decorative and "frivolous"[3] and our democratic ideals, which, de Tocqueville speculated, may be incompatible with artistic excellence.[4]

The most fundamental level of the continuing debate about public patronage of the arts centers around the question as to whether or not there exists at all any legitimate role for government to play in support of the arts and culture. In Performing Arts: The Economic Dilemma, Baumol and Bowen outline the major

arguments which have been made against public support for the arts:

- Subsidies for the arts are inconsistent with reasonable priorities for the use of scarce public funds; the government should not fund "frills" when there are insufficient resources to satisfy basic human needs;

- Subsidies open the door for government control of culture; public funding results in manipulation of the arts to promote certain political or social objectives, and waters down artistic quality;

- Public subsidies displace private funds rather than increase the pool of resources available to the arts;

- Poverty is "good" for the arts; hardship is a key factor in artistic excellence;

- Subsidies result in an inefficient allocation of resources to the arts and an inefficient amount of artistic activity; to the extent that they value cultural experiences, audiences should bear the full market cost of providing those experiences.5

While these arguments against public funding persist, the position that government has no role in supporting the arts is generally discredited today. On the basis of Baumol and Bowen's research, the inability of the arts to support themselves with ticket revenues and private gifts alone — evidenced by growing "income gaps" in the budgets of arts organizations — is widely recognized. A nd for a variety of reasons, the arts are now seen as contributing positively to society and therefore worthy of government support to ensure their survival. Central "themes" cited in favor of government subsidy stress the value of:

- Art for art's sake: the arts are a "merit good," whose production and consumption should be subsidized simply because they are meritorious;6

- Art for society/education's sake: the arts enhance community pride and liveability, providing individuals and groups of people with a constructive and creative outlet;

- Art for the economy's sake: the arts enhance and serve as an important signal of the economic viability of an area.

Swaim summarizes the popular arguments for the arts as a worthy target of government support:

"Proponents for continued and increased support for culture argue that the arts create jobs, generate business for local entrepreneurs, boost sales and create a healthy environment for future economic development...The direct spending

by the institutions and audiences are not the only economic effects; there are also indirect effects as demand ripples to other services and businesses...[T]he availability of artistic and cultural activity is a factor in both industrial relocation and executive recruitment. In their study of the National Endowment for the Arts, Cwi and Lyall reasoned that 'The presence of varied and high quality cultural amenities appears to be used by those in economic development roles as an important indicator of the general level of a community's civility and culture.'"[7]

Whether for merit good, social, or economic justification, the view that government does have a legitimate role in funding the arts is evidently shared by a majority of the American people. A 1980 Harris Poll, "Americans and the Arts," found that a majority of those surveyed believe that government should assist arts organizations needing help. 51% of those surveyed said they would be willing to pay $25 additional in taxes to fund the arts; 65% said they would pay $10 more, and 70% said they would pay $5 more in taxes — an increase of fivefold over the actual 1980 total of federal and state spending for the arts.[8]

The more intensely-debated question about an appropriate public policy for the arts and culture asks, assuming that some level of government assistance is determined desirable, to what projects and recipients should that assistance be directed? How does government define the arts activities it is willing to support? A number of value judgments underlie the decision as to appropriate uses of public arts funding; these value judgments collapse into what is known as the "elitist vs. populist" debate, which emerged nationwide in the 1970s. Fundamentally, the elitist perspective holds that public policy on the arts should stress developed artistic quality as the primary criterion for public support. This view translates into an emphasis on the professional, experienced creator and on established cultural institutions — in other words, on artists and organizations with proven track records in producing high-quality works of art. In contrast, the "populists" advocate a public arts policy stressing the widest possible availability of the arts. They place emphasis on the "consumer" of arts, focusing on participation and giving potential for achievement in the arts equal weight with existing artistic merit.

Existing public arts programs at all levels of government have avoided

targetting their support to narrowly-defined arts programs and categories of recipients; their broadly-stated enabling legislation and goals permit both elitist and populist interpretations. To illustrate, the goals of the National Endowment for the Arts (NEA) — which serve as a model for many state and local public arts programs — are as follows: "to make the arts more widely available to millions of Americans; to preserve our cultural heritage for present and future generations; to strengthen cultural organizations; [and] to encourage the creative development of talented individuals."[9] In lending themselves to both the elitist and the populist interpretation, these goals fuel continued debate over which interpretation is the appropriate basis for a public arts policy.

Historically, despite the philosophical standoff between the elitist and populist perspectives, the elitist view has prevailed in practice. Established institutions representing the "primary arts" receive a lion's share of public arts funds. In a case study of the Pennsylvania state arts council, Edward Arian outlines several factors "endemic to the political setting of public agencies which militate against the smaller organizations, community programs, and the creative artist."[10] These factors include: an incremental budget approach which obligates large amounts of money to previously funded groups; accountability of the council for how public funds are spent, creating incentives to fund organizations with successful track records; reliance on grant proposals as an index of artistic merit, favoring individuals and organizations with experience in grantsmanship; and political activity by large institutions, represented by celebrities or other influential individuals, and whose members frequently serve on and help to establish funding priorities for public arts councils. In Pennsylvania, Arian reports, these factors resulted in the channeling of most arts council funds to six politically powerful primary arts institutions in Philadelphia and Pittsburgh.[11]

In certain states, like Arizona, arts councils have deliberately given

priority to small organizations and community based programs; in these states, larger organizations needing assistance appear unable to get the public funds they require.[12] In general, it appears that a single public arts program can be established to serve either large primary arts institutions or small, community-based programs, but not both; the political process driving funding choices made by the council will be oriented toward one or the other type of program. Attempts to change the focus of the council result not in a balance of priorities but rather in a dramatic shift from the elitist to the populist orientation, or vice versa. The evolution of the California Arts Council is a case in point. Under Governor Ronald Reagan, the council was dedicated to promoting the "creme de la creme of traditional arts organizations already established and in those areas already enjoying a highly-developed cultural concentration." To develop a broader membership, and more varied programs, Governor Jerry Brown restructured the council to "[redistribute] funds from the 'franchised organizations' to the 'more parochial arts groups within California's multilingual, multicultural population." Neither position was entirely acceptable in promoting one definition of art over another; both the old and new councils created dissention and fragmentation in the California arts community.[13]

The difficulties involved in addressing the needs of a diverse arts community within one funding process at the state level have forced California among other states to explore decentralization of the grant-review process to regional or local councils. In addition to defusing the controversy from a single arts council, decentralization is believed to ensure a more equitable distribution of arts funds and to cultivate greater local interest in the arts. Decentralization is criticized by some elitists who "doubt the competence of local councils to pass judgment on the [quality] of Art...[and] fear that artistic excellence will be compromised as popularity is sought, that high culture will be trivialized to satisfy popular whims."[14] Nevertheless, decentralization reflects the public opinion that county and municipal government is the most appropriate level for

arts funding decisions; and as of 1980, 48 states had public arts programs involving some support for local arts councils.

ARTS POLICY IN MASSACHUSETTS

The evolution of public arts programs in Massachusetts reflects the fundamental policy debates about the types of arts activities that should receive public funding and the appropriate structure and processes through which funding decisions should be made. Our own Massachusetts version of the elitist vs. populist debate has resulted in the development of two separate agencies, each with its own administrative structure: the Massachusetts Council on the Arts and Humanities (MCAH) and the Massachusetts Arts Lottery. While neither agency is philosophically committed to either the elitist or populist view exclusively, the MCAH has traditionally been associated with the established primary arts institutions, while the much newer Arts Lottery is emerging as an advocate and source of funds for primarily smaller, less well-known, community-based programs. The existence of two arts agencies is currently the subject of a great deal of controversy involving the Governor and members of the state legislature as well as the staffs of the two agencies, their constituencies, and the arts community at large.

The Massachusetts Council on the Arts and Humanities

The first permanent state arts agency, the Massachusetts Council on the Arts and Humanities, was established in 1965 through legislation introduced by then-State Representative Michael Dukakis. The primary purpose of the agency, which began with a staff of one and a budget of $25,000, was to secure for Massachusetts a share of the federal grants given out by the National Endowment for the Arts, which had been established shortly before. Since then, the MCAH budget has grown substantially, to a high of $8.5 million in 1984.

The MCAH, headed by a 15-member Board of Directors appointed by the Governor, awards grants to individuals and organizations in a number of program categories:

Merit Aid, New Works, Professional Assistance, and Historical Conservation. In addition to funding these programs in their entirety, the MCAH combines funds with several private, non-profit arts agencies to sponsor a number of arts touring programs and artists' fellowships. The MCAH's grant-review process is highly competitive; applicants are judged on both developed artistic excellence and administrative capability. To be considered for funding under the New Works program, for instance, applicants are required to provide detailed development plans and proof of administrative and managerial strength in addition to evidence of the artistic capacity to "create and present new and significant works in the visual arts, music, theatre and dance."[15] While no matching grants are required for the New Works program, preference is given to applicants who can absorb administrative costs and raise additional funds; for some other programs, including Historical Conservation, dollar for dollar matching is required. Funding decisions are made through a "peer-review panel process" in which specialists in various artistic disciplines, appointed by the Council, "bring sound cultural experience and knowledge to the review of applications."[16] Through this rigorous and competitive process, approximately 500 programs are selected annually for funding, out of some 800 proposals submitted.

In basing its support of programs primarily on high standards of artistic excellence and administrative capability, the MCAH is oriented toward the state's established, primary arts institutions, with lesser support for community-based arts activities.

The Massachusetts Arts Lottery

The Massachusetts Arts Lottery was originally conceived as a means to increase the budget of the Massachusetts Council on the Arts and Humanities, but has in fact evolved as an alternative source of funding for community-based arts programs unable to secure funding from MCAH and other traditional assistance programs.

The idea of a lottery to fund the arts in Massachusetts began in 1972 with

Jacqueline O'Reilly, now Director of the state's Special Commission on the Performing and Visual Arts and Chairman of the Arts Lottery Council. A s a member of a special legislative commission on arts funding appointed by Governor Francis Sargent, O'Reilly was concerned with the chronic problem of funding state arts agencies. She found inspiration in a lottery held to support Australia's Sydney Opera House, and in 1977, during the first Dukakis administration, filed a bill to create a Massachusetts State Arts Lottery. This unsuccessful bill received no support from the established state arts community, despite the fact that all proceeds were to be earmarked for the MCAH.

A second version of the bill failed in 1978. Finally, in 1979, Governor Edward J. King signed legislation establishing a lottery game whose proceeds would go entirely to a network of local arts councils. The game's format, with its monthly drawings and $5 tickets, proved unpopular, however; to avoid bankruptcy, the game was closed down in July 1981. Subsequently, O'Reilly worked with the state's Lottery Commission to devise a new, more successful game. The result, "Megabucks" -- a game with $1 tickets, weekly drawings, and a building jackpot -- began operations on November 16, 1982.

At the outset, no one foresaw the amazing popularity of Megabucks. In December 1983, Lottery officials estimated that the game could bring in as much as $14 million to $20 million a year; in the five months ending in January 1984 alone, the game generated $33 million, and the early months of 1984 have been its biggest yet. The arts receive only a fraction of Megabucks proceeds, however. In the summer of 1983, O'Reilly asked the legislature to "cap" the Arts Lottery's budget at $3 million. The official explanation for this request is that $3 million was all the local councils could handle effectively; the move was also a prudent political response to growing criticism that generous funding for the arts was inappropriate in view of cutbacks in basic human services resulting from Proposition 2 1/2 and decreases in federal aid. The remainder of Megabucks

revenues over the cap now goes to the general local aid pool, and is one of the factors contributing to the higher level of state aid to cities and towns announced for FY 85.

The structure and orientation of the Arts Lottery channel money, authority, and discretion to individual Official Arts Councils at the local level. The principal duty of these councils, which are comprised of five or more community residents appointed by the mayor or selectmen, is to ensure that Lottery funds are distributed to worthy artists and organizations in their communities. In addition, they are encouraged to engage in long-range community arts planning and coordination efforts. The approximately 2500 council members statewide elect from their ranks a 22-member Executive Committee (two members from each of the state's 11 Congressional districts) whose purpose is to advise the Massachusetts Arts Lottery Council on local issues. The Massachusetts Arts Lottery Council is a governor-appointed, 5-member council responsible for "establishing the guidelines for the use of the funds generated by the Arts Lottery, determining if applications for funds comply with these guidelines, certifying payment to and overseeing the ultimate use of the funds by the cities and towns, and acting as liaisons with the local and regional Official Arts Councils."[17] By agreement, the Arts Lottery Council has always included two MCAH members.

Every six months, in January and July, half of the Lottery's $3 million budget is distributed to the local and regional councils. Each council receives an amount determined by a state lottery formula, varying from a minimum of $500 per cycle in the smallest towns to Boston's maximum allocation of $189,798. The councils solicit proposals, review and choose among the simple, one-page applications submitted by local artists and organizations, and submit selected proposals to the state Arts Lottery Council for final determination. Since the Lottery's Guidelines — the statement of principles, purposes, requirements, and procedures governing the Lottery — are deliberately broad and flexible, the state Council rejects fewer than 1% of programs approved by local councils.

Because of the relative ease of securing funds from the Arts Lottery, critics have charged that the program is not discriminating enough, that its standards of artistic excellence are too low. In response to this critique, Jackie O'Reilly sums up the philosophy behind the Lottery's grant process: "...what's good for the community is up to the community to decide."[18] This view is shared by the local council members statewide, a growing political constituency that has mobilized to oppose changes threatening the Lottery's structure and resources and the hard-won gains for community arts programs. "We've waited a long time. We see this as an extraordinary step for the arts. Those of us in the community recognize this and know we can't do it any other way."[19]

The Current Debate: A Call for a Unified Arts Agency

The unforeseen success of Megabucks and corresponding growth in size and influence of the Arts Lottery program over what was originally projected have been, according to Jackie O'Reilly, a decidedly "mixed blessing." While success has meant in the short run, more money than was anticipated for the local councils, it has also brought the program under close scrutiny. Some people traditionally associated with the MCAH, including Governor Dukakis, question the merits of having two separate public arts agencies in the state, and have advocated a merger of the MCAH and the Arts Lottery.

Those who favor the merger say it will "streamline state arts administration, strengthen lobbying clout, prevent any overlaps between the two groups, [and] combine the grassroots strengths of the lottery councils with the professional power and expertise of MCAH."[20] For the local lottery councils and most of the artists and organizations the Lottery supports, a merger means "suffocation by an agency they believe is hungry for their money but uninterested in their goals."[21]

When Dukakis appointed a special commission to study the merger possibility in the spring of 1983, it was generally believed on both sides that the recommendation to merge the two agencies was a foregone conclusion. A clear signal of this direction was the Governor's appointment in May 1983 of a third

MCAH Board member to the 5-person Arts Lottery Council, giving merger forces control over the Lottery.

Subsequently, Dukakis's FY 85 budget recommendations announced in January 1984 revealed the general design for the merger. The plan calls for the creation of an "umbrella" arts agency, the Massachusetts Endowment for the Arts and Humanities; however, the precise structure of this unified agency, and the relationship within that structure of the MCAH and the Lottery have not yet been determined. One interpretation of the proposal is that the umbrella agency will retain the network of local councils and continue to channel funds through the councils to community programs and local artists throughout the state.

Both Jackie O'Reilly and Anne Hawley, Executive Director of the MCAH, agree in principle that a superagency for the arts could work to serve the goals of both organizations. Negotiations between Lottery supporters and the MCAH have stalled on one point, however; the MCAH will not agree to the condition that no individual prominent in either of the existing agencies should be chosen to head the Endowment. The formal outcome of this dispute was a decision by the Lottery's Executive Committee not to agree to a merger in FY 85. Nevertheless, the merger question is still very much alive, and is one of the subjects currently being debated in the state House of Representatives' ongoing budget process. In addition, the local press has brought the issue into the open public forum: a recent Boston Globe editorial, labelling the controversy "petty interagency politics," called on the Arts Lottery to overcome its "paranoia" and accept the merger gracefully.[22]

THE ISSUE: EVALUATING THE ARTS LOTTERY AS A POPULIST POLICY FOR THE ARTS

While pressure to create a unified arts agency may be motivated by a genuine interest in the efficiency and effectiveness of Massachusetts state arts policy, the Arts Lottery constituencies are nonetheless justifiably concerned about what a merger would mean for their programs. Evidence from other states suggests that it is difficult to meet the needs of a diverse statewide arts community within one arts agency, with community-based artists and organizations most frequently shortchanged in the competition for funds and other forms of assistance. If Massachusetts is indeed committed to providing a large-scale program to fund community-based cultural activities, the arts advocates and political interests debating the merger question should be aware of this institutional hazard.

An assessment of the performance of the Arts Lottery and how it is contributing to the arts in Massachusetts is another factor critical to resolving the current debate into a more stable and coherent state arts policy. The warning that a merger could spell the end of a populist arts policy for the state is moot if the Arts Lottery is not now functioning as an effective populist arts policy.

To date, no analysis has been done to profile the range of programs funded by the Lottery and to evaluate how these activities serve the purposes of a populist arts policy. The goal for the remainder of my analysis is to fill this gap with an evaluation of the Arts Lottery as a populist arts policy; that is, to examine whether or not its structure, goals, and outputs are appropriate to a populist arts policy, and also whether or not it is significantly expanding populist cultural opportunities over the level supported by the MCAH. The January 1984 distribution cycle presents a good opportunity for such an analysis: in this cycle, for the first time, funds were allocated using the current version of the lottery distribution formula expected to be in place for some time. Also, it was the first time the Lottery distributed funds from its $3 million "capped" share of the Megabucks proceeds. Finally, in light of this deeper understanding of the Lottery's performance, I will examine the merger question and recommend a suitable

form for a unified state arts agency to address the needs of community-based arts programs as well as of established primary arts institutions.

The Arts Lottery's Distribution Policy

The Arts Lottery's distribution policy includes three major structural components: its network of local and regional Official Arts Councils, a formula used to allocate monies to each local council, and guidelines governing the use of funds by local councils. These three components, in structuring where the Arts Lottery funds go and how they are used, help to determine the range of programs funded at the local level.

Decentralization of the grant process via a network of local councils is an important feature of the Lottery's structure, according to Jacqueline O'Reilly, in that it helps to "remove politics from the arts;" that is, to shelter communities' funding choices from political influence at the state level. Other advantages of this structure are:

- on the basis of superior information, local councils can discover and assess local talent and audience demand more efficiently than the state Lottery Council and other centralized agencies are equipped to do;
- local councils' efforts can inspire an appreciation of the arts and provide continuity in arts planning within the community;
- decentralization of the grant process to local councils results in a more equitable distribution in ensuring that arts funds are channeled outside metropolitan areas where arts activities and institutions are normally concentrated.23

The choice of a city or town rather than a broader region as the "unit" for establishing arts councils was the product more of politics than of principle. Although regional groupings of communities would give local organizations and individual artists access to a larger pool of money, most mayors and selectmen were willing to support the Arts Lottery only under the condition that each community receive its own smaller allocation. Despite the preference of most communities for establishing individual Official Arts Councils, however, the Arts Lottery Guidelines also permit establishment of regional councils; the January

1984 distribution allocated a total of $24,493 (or 1.8% of the total distribution) to five regional councils comprised of 19 small communities.

The formula currently used to distribute funds to local arts councils is a modified version of the Equalizing Municipal Grant (EMG) formula used to distribute all local aid in Massachusetts.[24] This formula is based on population, adjusted for property wealth; poorer communities receive more aid, and arts funding, than wealthier communities of equal population. For the purposes of distributing arts funding, since the amount of money associated with the Arts Lottery ($3 million per year or $1.5 million per cycle) is relatively small, the EMG formula is modified to guarantee $1000 per year, or $500 per cycle, to the smallest communities. After the $1.5 million is allocated to participating communities on the basis of the standard lottery formula, an iterative process redistributes money proportionately from communities receiving more than $500 to those receiving less, until every council receives the minimum of $500.

The Guidelines established by the state Arts Council governing the use of Arts Lottery funds are designed to give the local councils a large degree of discretion over projects to be funded. On the principle that decisions about artistic merit and community impact should be made at the local level, local official arts councils are encouraged to establish their own funding priorities according to the needs they perceive in their communities.[25]

Once the official councils have applied their criteria to the applications they receive and submitted their funding decisions to the state Arts Lottery Council for approval, the state Council's staff verify that the projects meet an additional set of "technical" criteria:

- applicants for funds must be organized or reside in Massachusetts, and have been engaged for at least one year in the kind of activity for which funds are requested;
- applicants should be nonprofit and tax-exempt;
- individual artists should be able to demonstrate their commitment through submission of past works;

Table 1: Sample Arts Lottery Councils by Population and Income

INCOME	POPULATION Group 1 (<12,000)	Group 2 (12,000-26,499)	Group 3 (26,500-59,999)	Group 4 (60,000+)
Quartile 1 (<$6447)	[43] Acushnet, Blackstone, Brookfield, Carver, E. Bridgewater, Holland, Middlefield, Oxford, Sandisfield	[11] Clinton, Southbridge	[6] Taunton	[8] Brockton, New Bedford
Quartile 2 ($6448 - 7124)	[53] Ashby, Belchertown, Dighton, Hanson, Lakeville, Leyden, New Salem, Plympton, Southampton, Tyngsborough, Whately	[17] Gardner, Westport, Greenfield	[10] Everett, Plymouth	[6]
Quartile 3 ($7125 - 8146)	[43] Deerfield, Hadley, Maynard, Millis, Newbury, Upton, Windsor	[21] Agawam, Marshfield, Somerset, Yarmouth	[15] Malden, Stoughton, Woburn	
Quartile 4 ($8146+)	[35] Boylston, Ipswich, Manchester, Norwell, Paxton, Richmond, Topsfield	[30] Bedford, Concord, Longmeadow, Reading, Swampscott, Westfield	[10] Brookline, Needham	Newton

*Boxed numbers refer to the total number of communities in the state with the specified population and income characteristics.

- Arts Lottery funds should support, not supplant existing funds for the arts and humanities;
- local councils must comply with legislation prohibiting discrimination based on race, color, national origin, sex, religion, or disability.26

The local decision process in effect prescreens for many of these requirements as well as for artistic merit and community involvement. Of more than 2000 grants submitted for review to the state Arts Lottery Council in January 1984, only 12 were rejected for noncompliance with these technical requirements.

EVALUATING THE OUTPUTS OF THE ARTS LOTTERY

Despite its emphasis and reliance upon local discretion in the funding process, the Arts Lottery Council wants to ensure that, overall, the Lottery process results in funding choices that advance the purposes of the program as stated in the Guidelines:

- to promote and maintain the vitality of existing cultural resources;
- to ensure the continued contribution and value of these resources to the Commonwealth, the local communities, and their residents; and
- to involve as many citizens as possible in some aspect of cultural activity.27

These broadly-stated goals do not provide explicit "benchmarks" for evaluating how projects funded by the Arts Lottery are contributing to arts opportunities in Massachusetts. Nor has the Arts Lottery Council refined its goals into criteria for judging the "outputs" of a funding cycle. Considering the nature of the Arts Lottery program, this void is understandable: it would be both difficult and, arguably, inappropriate to develop concrete, objective criteria for a program that relies on local discretion to so high a degree; includes member communities with vastly different needs, resources, and capabilities; and is aimed at affecting so nebulous a "commodity" as art, broadly defined. Some form of link must be created, however, to bridge the general, philosophical goals outlined in the Lottery's Guidelines and the specific projects funded in cities and towns

across the state. I propose therefore to draw from the literature on public arts funding and from an understanding of the broad arts policy debate to construct a framework within which to evaluate the Arts Lottery's performance as a populist arts policy, through examination of programs funded in the January 1984 distribution.

Sample and Methodology

To examine the Lottery's performance through funding choices made by Lottery councils in the January 1984 distribution, I have constructed a proportional random sample of 60 non-regional local councils, or approximately 20% of the non-regional local councils in the state.[28] The sample is stratified by population and per capita income of the communities, two variables generally recognized as partial determinants of a community's existing cultural opportunities. To establish the sample, I divided all communities with local councils into four population categories and into income quartiles, then randomly selected 20% of each population/income grouping. Sample communities by population and income are given in Table 1.

Information about the local councils' funding priorities and choices comes from several documents submitted by the local councils to the state Arts Lottery Council; the most important of these is the "Summary of Applications Approved," in which each local council lists its grant recipients, projects funded, and dollar awards. From these documents I derived the data used in my profile of the January 1984 distribution. A serious shortcoming of this methodology is its subjectivity; since the documents provided are not designed to elicit the detailed information needed for this analysis, I was forced in many cases to make close judgment calls in coding the data. Because the Lottery's administrative simplicity is an important factor in stimulating local councils' participation, however, this shortcoming appears unavoidable.

The dimensions on which I have evaluated local councils' funding decisions are discussed in the following section, translated into "indices" of how programs

funded by the local councils serve the Lottery's goals. A n explanation of my use of the term "indices" is necessary. I have avoiding expressing these dimensions as objective criteria to guide future funding choices; that is, recommending specific funding levels for certain activities or classes of recipients, for example. Such criteria are neither practical nor appropriate, and violate the Lottery's principle of reliance on local discretion. Instead, the proposed indices are used to assess — after the fact — whether the Lottery's decentralized grant process is resulting in funding choices that, in the aggregate, are consistent with a sound populist arts policy.

Arts Lottery Goals, Suggested Indices of Performance, and Findings

Goal: To promote and maintain the vitality of existing cultural resources.

We generally think of "cultural resources" as synonymous with established arts institutions: renowned symphonies, fine arts museums, professional theater and dance companies. An arts policy designed to identify and promote the highest-quality developed artistic talent might target its funds almost exclusively to such institutions and their special programs. In contrast, to bring arts and cultural activities to new areas and new audiences, a populist arts policy should interpret "cultural resources" in a broad sense to include whatever organizations and institutions serve as a community's cultural centers. In communities without established arts institutions — typically smaller and poorer communities — schools, libraries, and other service organizations frequently fill this role. Similarly, councils on aging, teen shelters, and ethnic cultural centers may provide arts opportunities to special constituencies who live in larger or wealthier communities but are not generally served by established arts institutions there.

To ensure that the Lottery works effectively to sustain and enhance cultural programs reaching a wide and diverse audience within each community and across the state, its funds should be disbursed through a wide variety of channels. Large

portions of a community's total Lottery funds allocated to the same or similar organizations may mean that a small group of its residents are receiving a disproportionately large share of the Lottery's benefits. Of course, depending on the number of a community's existing cultural centers, their financial needs, and the size of the community's Lottery allocation, its local council may be able to fund several applicants in one distribution cycle, or only one or two. However, the Lottery's distribution policy should be structured to ensure that, across the state and over time, its funds are used to assist a wide variety of arts and service organizations, individual artists, and other "cultural resources."

In summary, an index of the Arts Lottery's effectiveness as a populist arts policy in promoting and maintaining the vitality of and value to Massachusetts of our cultural resources is:

- Profile of Recipients: The Arts Lottery should disburse its funds to communities and their residents through a broad range of organizations and institutions.

Findings

Profile of Recipients. The Arts Lottery Guidelines place few limitations on the individuals and organizations eligible to receive lottery funds. Aside from the technical restrictions discussed earlier, choices of recipient lie entirely in the local council's discretion.

Table 2 profiles by recipient the 297 grants (totalling $231,521) awarded in the January 1984 distribution by the 60 local councils in my sample. Across the entire sample, the largest share of funds (34%) was awarded to arts organizations. Service organizations received the next largest share (29.4%); of these organizations, public schools received the highest percentage of funds (9.7% of the total, or 33% of all funds awarded to service organizations), with private non-profit agencies close behind (7.8% of the total, or 26.6% of funds for service organizations). Individual artists received somewhat less (24.2%), while Lottery councils granted themselves the smallest share of funds (14.5%).

Table 2: Recipient Profile

	percent total grants		percent total grant $	
Arts Lottery Council		10.1		14.5
Service Organizations				
Public Schools	6.4		9.7	
Private Schools	3.4		3.5	
Library	4.4		2.5	
Historical Society	3.0		4.0	
Council on Aging	1.0		0.3	
Other Municipal	2.4		1.6	
Private Non-profit	6.1		7.8	
Total Service Organizations		26.7		29.4
Arts Organizations		30.6		34.0
Individuals		32.7		24.2
		100.0		100.0

Table 3 provides a less detailed recipient profile, this time examining the mean percentage of grant dollars awarded to each general recipient category, by councils in each population and income grouping. This table reveals some variation in recipient profile across communities of different sizes. Cities in Population Group 1 (60,000+) for example, awarded statistically significantly less (5.8%) for Lottery council-sponsored projects than did smaller communities (14.5% to 15.6% range for Population Groups 1, 2 and 3). This difference is understandable, as councils in large communities are more likely to face a higher demand for funds from existing arts and service organizations already geared up to apply for a new source of support; they therefore do not themselves have to invent uses for their allocations, as apparently is true of councils in some smaller communities. Even the 14-15% spent for council-sponsored projects in population categories under 60,000 does not seem inappropriately high, especially this early in the evolution of the local arts councils. To develop an identity, gain exposure and attention in the community, and begin to establish continuity as the local arts coordinating and planning agency, the local arts council in a smaller community may need to sponsor one or more projects on its own. Grants for council-sponsored projects can be expected to decrease over time; if they do not — if particular councils spend increasing portions of their allocations for such projects — it may indicate that those councils are doing insufficient community outreach and publicity aimed at attracting local artists and organizations.

A comparison across population categories of grant dollars awarded to arts organizations vs. percentage awarded to service organizations highlights the relationship between community size and existing cultural opportunities. In January 1984, councils in Population Group 1 (under 12,000) granted the smallest share of their funds (10.7%) to arts organizations, as opposed to the largest share (44.6%) to service organizations. In contrast, councils in Population Groups 2 (12,000-26,499) and 3 (26,500-59,999) granted statistically significantly more to arts organizations and less to service organizations. This difference

Table 3: Recipient Profile by Population and Income of Community

	percent of grant dollars				
	Lottery Council	Service Orgn.	Arts Orgn.	Indiv-idual	Total
Population					
Group 1 (34) (<12,000)	14.7	44.6	10.7	30.0	100.0
Group 2 (15) (12,000-26,499)	14.5	18.8	39.3	27.6	100.0
Group 3 (8) (26,500-59,999)	15.6	14.3	43.4	26.7	100.0
Group 4 (3) (60,000+)	5.8	37.0	37.5	12.8	100.0
Income					
Quartile 1 (14) (<$6447)	16.6	35.5	21.6	24.8	100.0
Quartile 2 (16) ($6447-7124)	7.1	47.5	19.0	26.4	100.0
Quartile 3 (14) ($7125-8146)	27.4	33.9	18.8	19.9	100.0
Quartile 4 (16) ($8146+)	8.1	18.2	34.0	39.9	100.0

supports the rationale behind an accessibility principle for a public arts policy: the smallest communities have fewer established arts groups and existing cultural opportunities. In fact, the amount of their grants to arts organizations probably overstates available local opportunities, since many of these grants went to outside groups for touring performances in the host communities. In these communities, service organizations such as libraries and schools — the existing social and cultural community centers — serve as the predominant focus for Lottery-funded programs.

In Population Group 4 (60,000+), councils granted almost equal funding shares to arts and service organizations (approximately 37% each). This finding may be attributable to the fact that more established arts organizations in large communities than in smaller ones are qualified to receive funding from traditional sources; at the same time, larger communities house more public and private service organizations serving larger populations of special constituencies.

Another difference between Lottery councils in the largest population group and all others is that in January 1984 councils in Population Group 4 funded fewer individual artists (12.8% of total funds, vs. a range of 26.7% to 30% for other population groups). Evidence suggests that where possible, sample councils choose organizations promising to create arts opportunities involving the general public or at least a wide segment of the community over individual artists; presumably a larger number of qualified organizations applied for lottery funds in the largest communities than in other population groups.

When the councils are broken down into income categories, it appears that councils in the wealthiest quartile of communities award less money to service organizations and more to arts organizations and individual artists than councils in less wealthy communities. While these differences are not statistically significant, they confirm the assumption that wealthier communities house more established cultural resources, arts professionals, and cultural opportunities

than less wealthy ones.

In summary, the Arts Lottery disburses funds through a variety of organizations, with recipient profile apparently related to characteristics of the community. In the absence of established arts organizations in smaller and poorer communities, for example, service organizations bear more of the responsibility for providing cultural opportunities than they do in larger and wealthier communities. The flexibility of the Lottery's grant-review process in funding so wide a variety of recipients, rather than penalizing communities for their lack of established arts institutions, allows them to make the best use of the cultural resources they do have.

Goal: To ensure the continued contribution of and value of our cultural resources to the Commonwealth, the local communities, and their residents; and to involve as many citizens as possible in some aspect of cultural activity.

This goal essentially addresses the issue of accessibility, of increasing the availability of the arts to a spectrum of people wider than the typical audience for cultural events, which is comparatively wealthy, educated, and urban. The accessibility principle, a cornerstone of populist arts policy, seeks to begin to equalize exposure to the arts across both geographic areas and social and economic classes. Income and place of residence (i.e., distance from metropolitan areas) are seen as important and related factors determining the degree of an individual's exposure to the arts:

> "In the absence of public subsidy, the arts tend to be provided in places that are remote, physically and/or psychologically, from many low income people; they are generally provided in imposing structures in the central parts of our largest metropolitan areas...[L]ocation aside, admissions prices themselves may constitute a barrier to the availability of the arts...[T]he necessity of lengthy and costly training and the very modest earnings prospects of artists, at least in the early years of their careers, are more likely to deter talented youngsters from low income families then those who can rely on family financial support from pursuing careers in the arts."30

The fundamental prescription for addressing these imbalances is to distribute arts funds in such a way as to guarantee some level of funding to every geographic area in the state. This geographic distribution, first instituted by the

pioneering New York Council on the Arts, is the basis of decentralization of the grant-review process to local arts councils, described earlier.

Beyond channeling funds to communities with fewer existing cultural resources, the accessibility principle involves expanding arts opportunities for certain special groups that traditionally have had less than equal access to the arts, or that are identified as benefitting in particular from participation in arts activities. In his prescription of structural changes for the Philadelphia Council on the Arts, Arian recommends establishing a "special constituencies" program which would include "labor, ethnic and minority groups, handicapped, and prisoners."[31] In 1976, the New York State Special Commission on Cultural Resources recommended exploration of "the potentials of the arts as a rehabilitative tool in prison rehabilitation, mental health, public assistance and other social services," and as a means to the "development and appreciation of ethnic values and understanding of social and ethnic variations in community-based organizations."[32]

Two indices of a populist public arts policy's success in enhancing accessibility of the arts to new audiences throughout the state, then, are:

- Geographic distribution: to help to equalize cultural opportunities across community types, arts funding should be channeled away from metropolitan areas and wealthy communities to areas lacking in developed arts institutions and extensive opportunities for participation in arts-related activities.

- Programs for special constituencies: In addition to expanding arts opportunities for the general public, a populist arts policy should promote programs for special groups that have had less than equal access to the arts under traditional programs, or that are expected to experience important benefits from participating in arts activity.

Findings

Geographic Distribution. In relying upon a network of local councils and distributing funds through the modified EMG formula, the Massachusetts Arts Lottery addresses the question of geographic distribution inherently, through the program's structure. The Lottery's guarantee of some level of funding for each

community, independent of its existing level of cultural activity, means more money for cities and towns without established arts institutions than they receive from the MCAH and other programs that target funds primarily to established institutions. And since the Arts Lottery formula specifies a funding "floor" for the state's smallest communities and is adjusted for wealth factors, it channels to smaller and poorer communities a share of arts funding larger than they would receive even were other arts funds allocated on a per capita basis rather than by concentration of existing cultural activity.

Table 4 illustrates how the actual percentage distribution of Arts Lottery funds to councils in communities with different size and income characteristics varies from what the expected percentages would be if the distribution were based solely on population. According to this table, communities in the lowest income quartile, plus cities of 60,000+ population in the second income quartile, receive larger shares of Lottery funds than is explained by population, while all other categories of communities receive less. It is clear from this table that the current formula channels money to lower income areas, which we expect to have less established arts opportunities. On the other hand, it suggests that there is less significant "redistribution" from large to small communities than from high to low income communities. This finding is not necessarily inconsistent with a populist arts policy, however. We need to bear in mind that the larger communities have more existing cultural resources — whose support, along with creating new cultural opportunities in new areas, is a major goal of the Arts Lottery — and also award a large share of their funds to service organizations, which arguably increases arts opportunities for some urban audiences not associated with established primary arts institutions. A nd the share of Lottery funds channeled to small communities represents nonetheless a large increase over what they have traditionally received and developed the capacity to disburse to local artists and organizations.

Table 4:
Expected and Actual Distribution of Arts Lottery Funds, January 1984*

INCOME	POPULATION Group 1 (<12,000)	Group 2 (12,000–26,499)	Group 3 (26,500–59,999)	Group 4 (60,000+)	
Quartile 1 (<$6447)	E 3.37% A 4.18 D +24.04	E 3.34% A 4.16 D +20.9	E 4.61% A 6.33 D +37.3	E 14.53% A 22.3 D +53.48	D +42.47
Quartile 2 ($6448–7124)	E 4.76 A 4.66 D -.85	E 5.08 A 4.94 D -2.76	E 6.57 A 6.10 D -.47	E 11.29 A 14.46 D +28.08	D +9.12
Quartile 3 ($7125–8146)	E 3.85 A 3.02 D -21.56	E 6.25 A 5.06 D -18.90	E 10.28 A 8.76 D -14.79	E 3.14 A 2.73 D -13.06	D -16.76
Quartile 4 ($8146+)	E 3.97 A 2.41 D -39.29	E 9.58 A 5.68 D -40.71	E 5.97 A 3.72 D -2.25	E 2.59 A 1.44 D -1.15	D -40.07
	D -10.2	D -18.49	D -9.19	D +29.73	

KEY

E: Expected percentage of grant dollars for the community on a straight per capita basis;

A: Actual Arts Lottery allocation in January 1984;

D: Percentage difference between expected and actual;

*Based on all local Lottery councils rather than on sample of 60 communities.

Special Constituencies. Going beyond a nondiscrimination policy requiring local councils to comply with legislation prohibiting discrimination and calling on them to develop affirmative action policies, the Guidelines sanction the targetting of funds to programs concerning and/or benefitting certain groups of Massachusetts residents:

"While discrimination on criteria involving the status of applicants is not permitted, there may be instances where such criteria are relevant to the particular activity for which Arts Lottery funds are sought such as specific ethnic or cultural activities or cultural efforts representative of specific elements of society (women, disabled, elderly, children, those in prisons or hospitals, etc.)"33

A profile by constituency served of all grants awarded by the 60 sample councils suggests that there may be some tension between this goal of providing programs for special consituencies and the Lottery's principal goal: to support activities which are available to or benefit the general public. Table 5 shows that the special constituencies identified by Arian and the New York Commission received a small percentage of sample councils' funds in the January 1984 distribution. 62.4% of sample councils' grant dollars were awarded to programs benefitting the general public. Of the 37.6% of total funds that were designated for specific constituencies, 71.8% (or 27.0% of all funds) were awarded to programs serving children between pre- and high school ages. In contrast, programs targetted to elderly, disabled, special needs, and minority constituencies received 6.1% of total funds disbursed by local councils.

Table 6 gives the mean percentage of grant dollars awarded to general interest versus all targetted programs by councils in communities of different sizes and income levels. The percentage of funds awarded for targetted programs is weakly correlated with income; councils in the smallest communities awarded a mean of 65.4% for general interest programs and 34.6% for targetted programs, while the largest communities awarded almost equal shares to general (44.9%) and targetted constituencies (45.1%). The direction of this finding is consistent with our expectation that small communities are characterized by both a low level

Table 5: Constituency Profile

	percent total grants	percent total grant $
General Public	57.1	62.4
Adult	1.0	0.7
Elderly	3.4	4.0
Children		
No age specified	14.1	14.2
Pre/Elementary	6.4	7.1
Jr. High	1.7	1.6
High School	4.5	4.1
College	5.7	3.2
Gifted	0.7	0.5
Disabled	1.0	0.8
Special Needs	1.0	1.0
Minority	0.7	0.3
Other	2.7	1.9
	100.0	100.0

Table 6: Constituency Profile by Population and Income of Community

	percent of grant dollars		
	General	Targetted	Diversity of Constituencies
Population			
Group 1 (34) (<12,000)	65.4	34.6	2.09
Group 2 (15) (12,000-26,499)	61.6	38.4	2.60
Group 3 (8) (26,500-59,999)	55.5	44.5	3.25
Group 4 (3) (60,000+)	44.9	45.1	5.00
Income			
Quartile 1 (14) (<$6447)	72.1	27.9	2.86
Quartile 2 (16) ($6447-7124)	56.3	43.7	2.75
Quartile 3 (14) ($7125-8146)	57.3	42.7	1.86
Quartile 4 (16) ($8146+)	65.3	34.7	2.56

of existing arts activity for the general public and by smaller special constituency populations than are larger communities. (Most intergroup differences of means are not statistically significant, however.)

Income does not appear to be related in any recognizable pattern to the level of spending for general versus targetted programs.

In summary, through its geographic distribution of funds, the Arts Lottery's distribution policy increases the accessibility of cultural opportunities in areas of the state outside the wealthier urban areas where established arts institutions and programs are concentrated. The modified EMG formula ensures a disproportionately high level of funding per capita to the smallest and poorest of the state's communities, where levels of cultural activity have traditionally been the lowest and where more concerted effort and funding will be required to establish lasting programs and public interest.

Despite the Lottery's explicit sanction of targetted programs, the profile of programs funded by the Lottery in January 1984 by constituency shows limited success in increasing cultural opportunities for special constituencies. There are a number of possible explanations for this finding: funding constraints; a tension between funding targetted programs and the Lottery's more central goal of increasing availability of the arts to the general public, especially in communities with little existing arts activity; the higher cost of and need for greater professional training in setting up special constituency programs intended for mental or social rehabilitation or similar purposes. If Massachusetts is to mount a serious program to provide arts enrichment, therapy, and rehabilitation to certain special constituency groups, it appears that such an effort should be made independent of the existing Arts Lottery distribution and local grant-review process.

<u>Goal: It is intended that the arts and humanities encompass, without limitation, the study, pursuit, performance, exhibition, and enjoyment of cultural activities in the broadest sense.</u>

This statement appears in the Arts Lottery Guidelines as a definition rather than a goal. It translates into an important criterion for evaluating the Lottery's outputs, however; programs funded by a populist arts policy should represent a broad range of art forms and modes of presentation. This goal is related to the two described previously: supporting a wide variety of arts forms and modes of presentation both helps to maintain and promote a range of existing cultural resources and increases the accessibility of the arts to audiences with varying interests and abilities.

A related, implicit goal of the Lottery is to help expose each Massachusetts community and its residents to a variety of art forms; that is, it is important to support a range of art forms not simply to ensure their survival but also to broaden audiences' cultural horizons.

In summary, two indices of the Arts Lottery's success in promoting a broad definition of "art" are:

- Overall variety of art forms funded;
- Diversity of art forms funded within each community.

Findings

Overall range of art forms. Because the Arts Lottery is oriented towards building interest in and support for the arts in many types of communities statewide in addition to enhancing existing cultural activity, programs funded in the January 1984 distribution do not divide neatly into the familiar primary art forms such as theater, music, dance, writing, and painting. Local councils' choices of projects to fund depend heavily on available community resources: existing arts and service organizations, local talent and interest, space and other "infrastructure," and awareness of the range of possible projects. Communities are not identically endowed with these resources; their funding choices, especially in the early stages of their cultural planning effort, will reflect these different initial endowments. In some communities, funds are used for institutional purposes, such as expanding the art collection at the municipal

library, or for projects documenting local history. Some councils award grants to arts or service organizations' building and/or equipment endowments, or renovate and equip space themselves for use as community art centers. Many channel funds into educational activities (classes, lectures, field trips), community arts festivals and other events that require less expertise, coordination, and arts infrastructure than staging a musical theater production or other primary arts exhibition.

To profile this wide range of programs funded by local councils statewide, I have modified the typology established by the New York Arts Council[34] to include some categories other than traditional art forms. The percentages of grant dollars awarded in the January 1984 distribution break down by art form as shown in Table 7.

To simplify the analysis of art forms funded in the January 1984 distribution, I have classified programs funded by sample councils into two categories: "primary arts," including theater, music, dance, visual arts, film/media, and writing; and "developmental arts," including crafts, educational programs, building and equipment acquisition, festivals, and so on. The assumption underlying this classification is that councils in smaller and poorer communities — those with traditionally less developed cultural activity — will grant less money to the primary arts category and more to the developmental arts than will councils in larger and wealthier communities; initial investment in developmental programs is needed to bring local artists, organizations, and audiences to the point where they are equipped to produce and appreciate the primary art forms.

Table 8 gives the breakdown of grants between primary and developmental art forms by population and income groupings. This table shows that, in fact, the relationship between population and percentage of grant dollars spent on primary versus developmental arts is not very clear. As expected, councils in the

Table 7: Art Form Profile

	percent total grants	percent total grant $
"Primary"		
Theater	13.1	10.6
Music	20.2	20.2
Dance	3.0	2.5
Visual	12.6	11.7
Film/Media	2.0	1.9
Writing	3.7	4.6
	54.6	51.5
"Developmental"		
Library	1.3	0.5
Historical	6.6	6.3
Museum	1.7	5.7
Crafts	2.4	1.1
Festival/Mixed	5.4	8.8
Educational	15.2	9.2
Equipment/Building	8.2	15.1
Community	1.5	0.7
Other	3.0	1.1
	45.3	48.5

Table 8: Art Forms Profile by Population and Income of Community

	percent of grant dollars		
	Primary	Developmental	Diversity of Art Forms
Population			
Group 1 (34) (<12,000)	40.8	59.2	2.59
Group 2 (15) (12,000-26,499)	66.6	33.4	3.73
Group 3 (8) (26,500-59,999)	49.6	50.4	4.62
Group 4 (3) (60,000+)	65.4	34.6	6.67
Income			
Quartile 1 (14) (<$6447)	40.2	59.8	4.14
Quartile 2 (16) (<$6447-7124)	40.9	59.1	3.56
Quartile 3 (14) ($7125-8146)	42.3	57.7	3.14
Quartile 4 (16) ($8146+)	73.2	26.8	1.09

smallest population category designated the smallest percentage of their allocations for primary arts of any population group (40.8%) but this mean is not statistically significantly different from the means for other population groups, and no meaningful pattern emerges.

The relationship between income and art form is stronger. There appears to be no significant difference in the percentage of funds designated for the primary arts among income quartiles 1, 2, and 3; the range is between 40.2% and 42.3% for these three categories. In the highest income quartile, however, councils granted 73.2% of their funds, a significantly higher percentage, to primary arts projects. This finding is consistent with Baumol and Bowen's characterization of the typical arts audience as primarily wealthy and, correspondingly, well-educated.35

The breakdown of programs funded by community population and income suggest that the most important difference among local councils in their awards for primary versus developmental art forms is between the wealthiest quartile of communities and all others. This finding suggests a difference in current capacity to support and appreciate the primary arts. While it may be an implicit goal of the Lottery to increase this capacity in less wealthy communities, it is impossible to conclude that increased exposure to developmental programs will lead to a greater demand among less wealthy audiences for primary art forms. Gans asserts, however, that this raising of tastes should not be a condition on which to judge the success of a public arts program:

> "American society should pursue policies that would maximize educational and other opportunities for all so as to permit everyone to choose from higher taste cultures. Until such opportunities are available, however, it would be wrong to expect a society with a median education level of twelve years to choose only from taste cultures requiring a college education, or for that matter, to support through public policies the welfare of the higher taste cultures at the expense of the lower ones."36

If the Arts Lottery values even greater decentralization of its funding to audiences with limited access to primary art forms, these findings suggest that changes in the distribution policy or additional programs to produce such decentralization chould target funding to communities on the basis of income

rather than population.

Diversity of Art Forms Funded. In proposing diversity of arts forms funded within the community as an index of the Arts Lottery's success as a populist arts policy, I have, in effect, made a major assumption about the relationship between the community and an individual's cultural experience: that is, that the community defines the boundaries of a resident's artistic and cultural opportunities. A s such, the local council, in selecting programs to support with Lottery funds, bears the responsibility to widen that scope to include more theater, more music, more painting, more of every form of artistic expression. In actuality, of course, an individual's cultural experiences are not necessarily constrained to the city or town in which he or she lives; it makes more sense to think of a somewhat larger geographic region as the appropriate unit of analysis of the variety of opportunities from which an individual can choose. For political reasons described earlier, however, local councils are set up to serve individual communities rather than regions, and are neither obliged nor given a mechanism to coordinate funding decisions with surrounding communities. A measure of the diversity of a local council's choices of art forms is therefore the best indicator I can devise to estimate how the scope of a typical community resident's artistic awareness is widened.[37]

Statewide, the average council awards grants to programs in a mean of 3.35 art forms. Diversity is positively correlated with population; the higher the community's population, the wider the range of art forms its council funds. Breaking the sample into population groups, we see a range from a mean of 2.59 art forms funded in the lowest population group to a mean of 6.67 forms funded in Population Group 4 (not all intergroup differences are statistically significant). In contrast, income and diversity of art form are negatively correlated; the higher the community's per capita income, the fewer the art forms funded by the local council. A mong income categories, the diversity measure ranges from a mean of 4.14 arts forms in the lowest quartile to 2.62 art forms in the wealthiest

communities; however, none of these differences are significant at the 95% level.

The relationships between community type and diversity of art forms funded suggest that the size of the overall Lottery allocation to the local council plays a role in determining diversity. Size of allocation, in fact, is positively correlated with diversity of art forms funded (correlation coefficient=.575), meaning that as the size of the allocation goes up — all other factors held constant — the number of art forms funded goes up, too. (Note, however, that this correlation "explains" only $.575^2$ or 33% of the total variation in diversity of art forms funded; clearly, a number of other factors influence the number of art forms a community chooses to fund.) According to the Lottery formula, councils in smaller communities (income and all other factors held equal) receive smaller allocations than large councils; similarly, councils in wealthy communities, population aside, receive smaller allocations than poor communities. The allocation constraints on smaller and wealthier communities help to explain the positive relationship between population and diversity and the negative relationship between income and diversity.

In summary, an analysis of the types and diversity of art forms funded by local councils shows that the Lottery is helping communities to expand opportunities in the primary and/or developmental arts, according to the needs, resources, and level of existing arts activity in each participating community. Also, within the constraints unavoidably imposed by the overall share of funds they receive, local councils are expanding community arts programs to include a diversity of art forms.

Goal: To promote both the heightening of standards of excellence through the creation of new artworks by trained artists, and the dispersion of cultural awareness and experiences through educating and involving the general public.

This goal is not explicitly stated in the Arts Lottery's Guidelines; it is closely tied, however, to the goals of promoting cultural resources and increasing the accessibility of the arts to new audiences. Regarding the balance between

these two fundamental goals, or, alternatively stated, between quality and dispersion, Haughey describes the following dichotomy:

"At the very heart of the question of a policy for the arts we come across a dilemma that is the conflict between (a) the wish to make existing art available to the public by way of performance and exhibition and (b) the need to devise methods which make it possible for the individual artist to fulfill and embody his vision, in fact, to create more art."38

The notion that a populist public arts policy has dual roles of promoting the creation of new artworks and raising the standards of artistic excellence on one hand and increasing accessibility of the arts to the general public on the other suggests that the Arts Lottery should seek some balance between grants to professional artists and grants to community/amateur programs. In practice, this distinction is hard to draw: a concert performed for the public by professional musicians, for example, benefits both groups and fulfills both goals. For the purposes of analyzing the Arts Lottery distribution, however, an appropriate distinction among Lottery-funded programs is in terms of the roles they define for the community audience; that is, whether the community resident is involved in the activity as a "consumer" of artworks created by trained artists or as an active participant in the creative process.

An index of the Arts Lottery's success in promoting both quality and dispersion, then, is:

- Audience Role: Grants funded by the Lottery should strike a balance between audience as passive spectator/listener (emphasis on audience as "consumers") and audience as active participants (emphasis on audience as "creators")

Findings

Audience Role. To measure how Arts Lottery-funded programs break down by audience role, I have grouped programs funded in the January 1984 distribution as follows:

- Spectator: programs in which outside artists or a single community artist performs or exhibits to a passive audience of community residents;

- Participant or spectator/participant: programs designed specifically to involve local residents directly as participants, or programs in

which a group of local residents perform or exhibit for a passive audience of community residents.

Table 9 shows that overall in January 1984, local councils awarded a mean of 39.7% of their allocations to spectator programs and a mean of 49.6% to participant and spectator/participant programs. The difference went to programs with no clear, specific audience (i.e., certain capital acquisition programs).

This mean percentage does not vary significantly by population group, and the differences are also insignificant across income level with one exception: the mean percentage of programs in the participant and spectator/participant category is significantly lower for Income Quartile 1 than for higher income groups (although only at the 90% confidence level). This appears to be true not because the poorest communities spend more on spectator programs but rather because they spend more in the "other" category. Since this category principally includes acquisition of capital equipment, this finding appears consistent with the notion that an important early task of councils in the poorer communities may be to build up their communities' capacity to offer a range of arts opportunities with needed investments for arts "infrastructure" (space, staging, lighting, etc.) that is already in place in wealthier communities. Again, the Lottery's flexibility as to allowable uses of funds permits communities to meet their individual cultural needs, while, overall, balancing quality and dispersion of arts opportunities.

Summary Interpretation of January 1984 Distribution

My purpose in the preceding analysis was not to suggest ways in which the Arts Lottery should attempt to engineer "correct" local funding choices. To do so would be inappropriate, were it possible; the Lottery's reliance on local discretion would make it difficult to fine tune local councils' choices while still allowing perceived local cultural needs to be met. Furthermore, information from one funding cycle, aggregated on the basis of as many value judgments as clear guidelines, is insufficient for an authoritative characterization of the entire Lottery program. Instead, my intent was to show that, overall, funding

Table 9:
Audience Role Profile by Population and Income of Community

	percent of grant dollars		
	Spectator	Participant*	Other
Population			
Group 1 (34) (<12,000)	43.0	47.8	9.2
Group 2 (15) (12,000-26,499)	37.1	51.2	11.7
Group 3 (8) (26,500-59,999)	33.6	48.9	17.5
Group 4 (3) (60,000+)	32.0	58.4	9.6
Income			
Quartile 1 (14) (<$6447)	44.3	36.2	19.5
Quartile 2 (16) ($6447-7124)	32.0	58.3	9.7
Quartile 3 (14) ($7125-8146)	32.3	55.2	12.6
Quartile 4 (16) ($8146+)	49.9	47.7	2.4

*Participant and Spectator/Participant

choices made in the January 1984 distribution seem reasonably consistent with important characteristics of an effective grassroots arts policy. At the same time, on the local level, it appears sensitive to the needs of community artists, organizations, and audiences, allowing — within some limits naturally imposed by the size of each community's allocation — quite different funding choices in different population and income groupings of communities.

That the Lottery appears to be producing funding choices that add up to a sound populist arts policy for Massachusetts answers only part of the question as to its role in state arts policy in general. The question remains: does the Arts Lottery expand cultural opportunities in the state? Or does it detract from or merely duplicate programs funded by the MCAH?

A COMPARISON OF THE ARTS LOTTERY AND THE MCAH

An argument used frequently in favor of a merger betweeen the MCAH and the Arts Lottery is that the Lottery "wastes" limited arts resources by duplicating the efforts of the MCAH, and that efficiency would be greatly improved by unifying the two agencies. In fact, examination of grants made by MCAH to communities in my sample during 1982 suggests that, with minor exceptions, the two programs produce quite different results. (NOTE: I have used 1982 information because this is the most recent period for which data on MCAH funding are available. There is an advantage to using 1982 data, however: since the first Arts Lottery distribution occurred in 1983, 1982 figures on the MCAH allow us to examine MCAH funding choices independent of any influence by the Lottery.)

Table 10 shows that, while the Arts Lottery guarantees funds to every community establishing an arts council, major MCAH programs in 1982 awarded funds to artists and organizations in only 15 of the 60 communities in my sample. Some population/income groups of communities received no MCAH funds at all, including the three smallest population groups in the lowest income quartile. On the other

Table 10:
Expected and Actual Distribution of MCAH Funding to Sample Communities, 1982

POPULATION

INCOME	Group 1 (<12,000)	Group 2 (12,000-26,499)	Group 3 (26,500-59,999)	Group 4 (60,000+)
Quartile 1 (<$6447)	E 3.37% A 0 D-100.0 R 0/9	E 3.34% A 0 D-100.0 R 0/2	E 4.61% A 0 D-100.0 R 0/1	E 14.53% A 29.75% D-~~100.0~~ +104.7 R 2/2
Quartile 2 ($6448-7124)	E 4.76 A 0 D-100.0 R 0/11	E 5.08 A 12.18 D+139.76 R 1/3	E 6.57 A 23.94 D+264.38 R 2/2	
Quartile 3 ($7125-8146)	E 3.85 A 4.01 D +4.15 R 2/7	E 6.25 A 1.99 D -68.11 R 3/4	E 10.28 A 0 D-100.0 R 0/3	
Quartile 4 ($8146+)	E 3.97 A 0.34 D -91.40 R 1/7	E 9.58 A 2.60 D -72.86 R 2/6	E 5.97 A 17.75 D+197.32 R 1/2	E 2.59 A 7.46 D+188.03 R 1/1

KEY

E: Expected percentage of grant dollars for the community on a straight per capita basis;

A: Actual MCAH grant amount awarded in 1982;

D: Percentage difference between expected and actual;

R: Ratio of communities in the population/income group receiving MCAH grants over the total number of communities in the group.

hand, certain communities received large amounts of money from the MCAH, including Brookline and Newton — both wealthy communities — which shared 25% of all funds awarded to the sample communities.

This comparison somewhat underestimates the amount of MCAH funding for sample communities since it excludes MCAH's Touring Programs, which support performances by professional artists for local audiences. However, these programs are funded not solely by the MCAH but by all six New England states as part of a regional program, and are administered separately by the New England Foundation for the Arts, a private, nonprofit agency. Since, according to NEFA's executive director, these programs would not be involved in a merger of the Lottery and the MCAH, I have left them out of the analysis. Also, this omission may be outweighed by recent program changes at the MCAH, which promise even less funding for community-based programs than is now the case. MCAH's Local Projects program has been phased out, so that local groups must now apply for funds through the other, more competitive MCAH programs described earlier.

These results do not indicate that MCAH necessarily actively discriminates against small and poor communities or against community-based programs. A more reasonable explanation is that MCAH's application and funding processes offer a comparative advantage to established arts organizations with good track records of artistic excellence, administrative capability, and experience in grantsmanship, and which are located predominantly in wealthier communities and metropolitan areas. For an agency whose purpose is to target support to the cream of existing arts organizations, these policies may be appropriate, but they do not serve the purposes of a grassroots arts program designed to channel funds to new audiences.

Important institutional differences between the Arts Lottery and the MCAH help to determine the disparate funding choices made by the two agencies. One important distinction is the level at which funding decisions are made. In the Lottery program, the local council decides questions of merit and need. In contrast, a statewide panel of judges makes these decisions for each MCAH program.

It seems clear that most service organizations without extensive arts experience and developing artists and arts organizations from smaller and poorer communities would be more likely to apply to and secure funding from the local council that from the panel of MCAH judges facing applications of high caliber from all over the state. Self sorting of applicants, as well as judges' decisions, will affect the range of programs funded by each agency.

Another difference between MCAH and the Lottery is the role each defines for the community in arts coordination and planning. The Lottery, which ensures every participating community a reasonably constant and predictable level of funding every six months and relies on local councils to disburse funds according to their own priorities, gives the community an important role and continuity in planning and expanding local cultural opportunities. In contrast, it is for the most part individual artists and arts organizations that apply and compete for MCAH funding as their budgets dictate; the community has no formal control over who applies, whether or not they are funded, and how their programs complement other cultural opportunities in the community.

Despite the fact that the Lottery and MCAH are fundamentally different in these institutional features and in many of their funding choices, there is nevertheless some overlap in the artists and organizations they support. Comparison of the programs funded by MCAH in 1982 with those funded in the Lottery's most recent distribution reveals that a number of organizations have applied to both agencies. In January 1984, local Lottery councils in the sample communities granted $42,836 — approximately 18.5% of their total grant dollars — to artists and organizations that received MCAH funds in 1982.

Without information on more recent MCAH funding cycles, I cannot determine whether these artists and organizations continue to receive funds from both sources; or, alternatively, whether they have replaced MCAH funds with Lottery funds, potentially in violation of the Lottery's nonsubstitution principle.

Moreover, it may be appropriate and worthwhile for an organization to receive assistance from both agencies, in order to enhance or expand its community outreach while maintaining high standards of artistic merit, for example. The issue is that there is no mechanism to coordinate the funding decisions of the two agencies. Lottery applicants are requested to provide information about other funding sources, both realized and potential; however, since the MCAH's deadlines vary from program to program and do not necessarily coincide with the Lottery's distribution cycles, local councils cannot always base their decisions on full knowledge of an applicant's total state support. Rather than endanger a program they believe is valuable to the community, council members may choose to fund an organization which has applied to MCAH as well, with double funding sometimes the result. This duplication may mean that other valuable projects go unfunded, possibly a number of small projects if the "duplicate" grant is large.

More information on the programs funded by the other state arts agency might, therefore, help both the Lottery and the MCAH to maximize the value of their grant dollars and to improve the mix of state funding recipients. Evidence suggests, however, that there is not a great deal of overlap between the programs funded by the two agencies. Furthermore, as the local councils stimulate interest among new audiences and produce new arts opportunities — as they are expected to do — the funding choices made by the MCAH and the Arts Lottery should diverge even more, with less overlap the result. In short, my analysis suggests that the Arts Lottery is expanding arts opportunities to reach new audiences in Massachusetts, not simply channeling more money to existing programs.

CONCLUSIONS AND RECOMMENDATIONS

Through its network of local councils, the Massachusetts Arts Lottery distributes arts funds to areas of the state and to Massachusetts residents with traditionally less than equal access to cultural opportunities; the Lottery is helping to equalize the distribution of state arts funds across geographic and

income barriers that appear unbroached by the MCAH in its mission to identify and assist the best of the state's arts organizations. This equalization, achieved principally through decentralization of the grant-review process from the state level to local councils, helps to fulfill a central goal of the Lottery and other populist arts policies: to increase the availability of arts and cultural opportunities to all communities and their residents. On other dimensions that should be considered in formulating a populist arts policy — including range of recipients, programs for special constituencies, range of art forms funded, and audience role — the Lottery distribution appears sensitive to the needs and resources of different types of communities in expanding their cultural opportunities. The Lottery's reliance on local council discretion and on simple administrative procedures gives community-based artists and organizations without extensive experience in grantsmanship an alternative means of funding that is less formidable than competing at the state level for MCAH support. Historically, the requirement that applicants demonstrate developed artistic quality as a condition for funding has proven a vicious cycle for fledgling organizations.
With support from the Lottery, these organizations may begin to develop through their programming the higher artistic caliber and administrative capacity needed to compete for funding statewide with other established organizations. In addition to assisting developing organizations, the Lottery defines an important role for the community in coordinating and enhancing local cultural resources.

As described earlier, evidence from other states suggests that the Arts Lottery has been able to influence Massachusetts arts activity in these new directions largely because it has developed as a separate agency, free to pursue the goals of a populist arts policy without direct competition for its funds from the large established primary arts institutions traditionally funded by the MCAH. Its controversial dual-agency structure has allowed Massachusetts arts policy to strike the elusive balance between the "elitist" and "populist" perspectives.

The proposed merger is a potential threat to this balance, as local Lottery

council members insist. Despite the rhetoric by merger advocates that the central issue is coordination and efficiency, the Lottery's large budget is the true bone of contention; there was no interest in a merger at any time before the staggering success of Megabucks. It is no accident that the most vocal advocates of the merger are recipients of MCAH funding who expect to capture a greater share of public arts funds if and when the two pools of money are lumped into one. Their expectation is realistic. If the community-based arts programs such as those now funded through the Lottery are forced once again to compete for scarce resources against the "heavyweights of the arts constituencies"[39] it is hard to imagine a set of criteria for funding choices that would produce anything like the current level of support for grassroots arts activities; on the bases of artistic merit, administrative capacity, political influence, and even absolute need in dollar terms, the larger, primary arts institutions would receive funding priority.

Furthermore, it is not clear that a merger would produce significant efficiency gains. While some artists and organizations receive funding from both agencies, the amounts of money involved do not appear to be large. The MCAH programs most similar to Lottery programs, administered by a private agency and only partially funded by MCAH, would not be affected by a merger. Finally, since the Lottery has a staff of only 4 and an operating budget of $113,000, a merger would not produce significant savings in administrative overhead.

Nevertheless, as both sides have recognized, some form of merger of the Arts Lottery and the MCAH appear inevitable. Governor Dukakis has identified the creation of an arts superagency as both a feasible and a significant contribution his administration can make to the arts in Massachusetts. Whether or not the Governor's proposal is implemented in the immediate future, however, the controversy is likely to persist. Since in the current debate our dual arts agency policy has been branded unwieldy and anomalous, it will undoubtedly continue to be a target of politically-motivated attempts to "streamline"

government — despite the fact that there may be no inherent disadvantage in maintaining two separate arts agencies. Ironically, the debate itself has produced perhaps the best reason for a merger: to allow both agencies to return to their normal business. Merger advocates' assertion that the current structure causes harmful dissention and a bad working environment in the arts community has proven a self-fulfilling prophecy as the day-to-day operations of both agencies have been displaced by negotiations and legislative and lobbying efforts.

While a merger is probably inevitable, however, the creation of a unified arts agency that effectively serves both community-based and primary arts programs is not a foregone conclusion. The conditions of the merger are critical to the future of the Arts Lottery and of a serious populist arts policy for the state. Repeatedly in this analysis, I have alluded to evidence from other states of the difficulties of sustaining community arts programming in direct competition for funds with established arts institutions. A unified arts agency should be structured to prevent such competition; the fundamental principle guiding the merger should be that community-based arts such as those now funded primarily by the Arts Lottery and primary arts, supported largely by the MCAH, are two distinct types of art — two different "goods" — each of which makes an important contribution to the quality of life in the Commonwealth. One should not be considered a substitute for the other; that is, the nature and variety of arts activities funded, not simply the overall level of funding, determines the value of the state arts policy to the residents of Massachusetts.

Accordingly, I recommend that the merger plan include the following conditions:

- <u>The basic dual-agency structure should be retained under the umbrella agency</u>.

Under the auspices of a unified agency, the MCAH and Arts Lottery should remain separate and autonomous sub-agencies. The funding process and pool of resources targetted for local councils should be kept completely separate from the

grant-review processes and resources for more traditional, primary arts institutions; that is, the local councils' funds should not be tapped on a discretionary basis to fund primary arts programs directly at the state level, no matter how worthy the programs or critical the need. Once the division between the two programs is broached, Massachusetts arts policy risks experiencing the dramatic shift in priorities witnessed in California and other states. Especially now, in the critical early stages of the Lottery program, large budget cuts and other restrictions could have a serious negative impact on volunteer council members' willingness to serve and ability to generate attention and activity in the community. Consolidation of the two agencies' budgets poses the clearest threat to community arts programs, and should be avoided.

- The Massachusetts Arts Lottery Council should be restructured to parallel the Massachusetts Council on the Arts and Humanities.

The MCAH is a 15-member board composed of artists and patrons of the arts committed to the support of the state's highest-quality cultural resources. The Arts Lottery Council, in contrast, is a five-member panel with the potential to be controlled — as it is now — by a majority who would like to see its structure and purpose redefined. It is advised, however, by a larger board, the Executive Committee, elected by and from the local councils statewide and with a clear interest in and commitment to community-based programs. I recommend that these two boards be combined; that is, that instead of electing 22 members to the Executive Committee, the local councils elect 11 members (one from each Congressional District) to the Arts Lottery Council. The remaining four members could be Governor-appointed. This change would ensure that policy for the Lottery sub-agency will be set by individuals committed to a populist arts program and familiar with the problems of implementation at the local level.

- A director to head the arts superagency should be recruited from outside both the Arts Lottery and MCAH communities.

While seemingly a minor issue compared to the contemplated structural changes, the debate as to who will head the unified agency has become the pivotal

point in the merger negotiations because of the decision's symbolic value. By awarding the position to an individual strongly identified with either side of the debate, the Governor will send a strong message about the relative priorities of the agency and about future directions for state arts policy. A more appropriate choice would be some prominent member of the arts community with a perceived neutral position on the merger question.

These measures, purposely "defensive," are recommended to keep the existing Arts Lottery program intact through the transitional merger period. Until the local councils have had the opportunity over several more distribution cycles to become accustomed to the grant-review process and committed to their role in community arts planning, the Lottery program is vulnerable to changes in process and in the size of its budget that could disrupt the program's implementation at the local level. This warning is not to suggest, however, that the two sub-agencies should not begin to cooperate in exploring ways to make state arts policy more effective and rational over a longer horizon. The responsibility for certain types of programs might appropriately be reassigned from one agency to the other, for example. Whereas currently both the Lottery and the MCAH award grants to schools and other municipal agencies, it might be preferable to have all such assistance funneled through the network of local councils. Alternatively, the dividing line could be size of grant, with the MCAH responsible for all requests over a negotiated limit. In addition, the Lottery Council might work with the MCAH to develop programs serving those needs of local communities that are difficult to meet in a decentralized system; for instance, MCAH could assemble the expertise to give technical as well as financial assistance to local councils seeking to conduct art therapy and rehabilitation and other special constituency programs that appear to be underfunded through the Lottery process. Reassignment of responsibility should be accompanied by reallocation of resources, with the total arts budget — from the Lottery as well as from other public and private sources — divided between the two sub-agencies according to the programs they

administer. The earlier warning applies, however; except as programs are transferred from one agency to the other, funds should not be fungible between the Lottery and the MCAH if the state's arts policy is to continue to balance community-based programs with support for established cultural institutions.

Almost accidentally, Massachusetts arts policy has evolved into a unique form that accomplishes what few state arts agencies seem able to do: our dual-agency structure balances support for the Commonwealth's finest arts institutions with attention to the cultural needs of the communities and their residents. This balance seems especially appropriate and valuable in a state with both a significant cultural heritage and a long tradition of home rule. A carefully-structured arts superagency that builds on the strengths of the current system will allow Massachusetts arts policy to continue to promote both quality and dispersion of cultural opportunity.

NOTES

1 Hans F. Dahl, "In the Market's Place: Cultural Policy in Norway," in Paying for Culture, ed. Patricia A. McFate (Philadelphia: The Annals of the American Academy of Political and Social Science, 1984), p. 123.

2 Christopher Price, "Culture in a Cold Climate," in Paying for Culture, ed. Patricia A. McFate (Philadelphia: The Annals of the American Academy of Political and Social Science, 1984)., p. 117.

3 Margaret J. Wyszomirski, "Controversies in Arts Policymaking," in Public Policy and the Arts, ed. Kevin V. Mulcahy and C. Richard Swaim (Boulder, CO: Westview Press, 1982),. p. 12.

4 As quoted in Bernard Rosenberg and David Manning, eds., Mass Culture (New York: Free Press, 1964), reprinted in Margaret J. Wyszomirski, "Controversies in Arts Policymaking," in Public Policy and the Arts, ed. Kevin V. Mulcahy and C. Richard Swaim (Boulder, CO: Westview Press, 1982), p. 12.

5 William J. Baumol and William G. Bowen, Performing Arts: The Economic Dilemma (Cambridge, MA: The MIT Press, 1966),. pp. 371-378.

6 Dick Netzer, The Subsidized Muse (Cambridge, England: The Cambridge University Press, 1978), p.16.

7 C. Richard Swaim, "'Baltimore's Comparative Advantage:' Don't Forget the Arts," University of Baltimore Business Review, 3 (Sept. 1983) 7.

8 Louis Harris and Associates, Americans and the Arts (New York: The Associated Councils of the Arts, 1975),. as quoted in Arts and the States: A Report of the Arts Task Force, National Conference of State Legislatures (Washington, DC: NCSL, 1981), p. 59.

9 As quoted in Dick Netzer, The Subsidized Muse (Cambridge, England: The Cambridge University Press, 1978)

10 Edward Arian, "The Problems of a State Arts Council in Achieving Equity in the Distribution of State Arts Funds: A Case Study of Pennsylvania," paper presented at the Annual Meetings of the American Political Science Association, Sept. 1, 1978, New York City, p. 5.

11 Ibid., p. 4.

12 Lawrence D. Mankin, "Rites of Passage: The First Twelve Years of the Arizona Commission on the Arts and Humanities," paper presented at the Annual Meeting of the American Political Science Association, Sept. 1, 1978, New York City, p. 14.

13 Arthur G. Svenson, "The California Arts Council: Die Meistersinger von Sacramento," paper presented at the Annual Meeting of the American Political Science Association, Sept. 1, 1978, New York City, pp. 5-12.

14 Ibid.

15 The Commonwealth of Massachusetts Council on the Arts and Humanities, 1984 Guide to Programs.

16 The Commonwealth of Massachusetts Council on the Arts and Humanities, Biennial Report, Fiscal Years 1981 & 1982 (Boston: MCAH, 1983), p. 60.

17 Massachusetts Arts Lottery Council, Guidelines.

18 Susan Orlean, "Passing the Megabucks," Valley Advocate, 17 August 1983.

19 Ibid.

20 Ibid.

21 Ibid.

22 Editorial, The Boston Globe, 13 March 1984.

23 David Cwi, "Merit Good or Market Failure: Justifying and Analyzing Public Support for the Arts," in Public Policy and the Arts, ed. Kevin V. Mulcahy and C. Richard Swaim (Boulder, CO: Westview Press, 1982), p. 204.

24 Equalizing Municipal Grant (EMG) formula =

$$\frac{\text{Local Equalized Property Valuation}}{\text{State Equalized Property Valuation}} \times \text{Population} \times 10$$

25 Some councils simply adopt as given the suggested criteria outlined in the Lottery's Guidelines: quality, dedication, accomplishment, financial need,

community involvement, and benefit to the community. Most councils reorder these criteria to emphasize community involvement and benefit, weighing heavily in favor of projects which will involve the largest possible number of community residents over those which benefit only individual artists or small groups. Beyond these suggested criteria, some councils stress additional characteristics of projects they want to fund: targetting specific groups of people (school children, the elderly, disadvantaged, etc.) for example, or coinciding with and enhancing town anniversaries and other local celebrations.

26
Massachusetts Arts Lottery Council, Guidelines, p. 3.

27
Ibid., p. 1.

28
I originally planned to include regional councils in my study to examine the differences, if any, between local and regional councils' funding choices; unfortunately, insufficient information is available regarding regional councils' choices in the January 1984 distribution.

29
Except where specified, I have used a 95% confidence level to test the differences of means in this study.

30
Netzer, p. 156.

31
Arian, p. 7.

32
New York State Commission on Cultural Resources, Cultural Resource Development: Planning Survey and Analysis (New York: The New York State Commission on Cultural Resources, 1976), p. 170.

33
Massachusetts Arts Lottery Council, Guidelines, p. 3.

34
Netzer,p. 83.

35
Baumol and Bowen, pp. 71-97.

36
Herbert Gans, Popular Culture and High Culture (New York: Basic Books, 1974) as quoted in Public Policy and the Arts, ed. Kevin V. Mulcahy and C. Richard Swaim (Boulder, CO: Westview Press, 1982), p. 47.

37
Diversity measure: the mean number of primary and developmental art forms funded; multiple grants for the same art form count the same as a single grant.

38 Charles J. Haughey, "Art and the Majority," in Cultural Policy and Arts Administration, ed. Stephen A. Greyser (Cambridge, MA: The Harvard Summer School Institute in Arts Administration, 1973), p. 62.

39 C. Richard Swaim, "The Arts and Government: Public Policy and Questions," in The Journal of Aesthetic Education, 12 (Oct. 1978) 4, p. 45.

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